

RECORDATION NO. 27186-5 FILED

AUG 05 '10 -9 00 AM

SURFACE TRANSPORTATION BOARD

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August 5, 2010

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Full Service Railcar Lease, dated as of June 23, 2010, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memoranda of Mortgage previously filed with the Board under Recordation Numbers 27186-C and 27608.

The names and addresses of the parties to the enclosed document are:

Lessor: Babcock & Brown Rail Funding LLC
1 Dag Hammarskjold Plaza
885 Second Avenue, 49th Floor
New York, NY 10017

Lessee: The Kansas City Southern Railway Company
114 West 11th Street
Kansas City, MO 64105

Chief
Section of Administration
August 5, 2010
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A description of the railroad equipment covered by the enclosed document is:

54 covered hopper railcars as follows:

Rec. No. 27186-F - 22 cars within the series BNBX 121647 - BNBX 121782; and

Rec. No. 27608-B - 32 cars within the series BNBX 121707 - BNBX 121892, both as more particularly set forth in the attachment to the document.

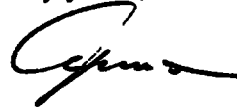
A short summary of the document to appear in the index is:

Memorandum of Full Service Railcar Lease.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

AUG 05 '10 9 00 AM

MEMORANDUM OF FULL SERVICE RAILCAR LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF FULL SERVICE RAILCAR LEASE dated as of this 23rd day of June, 2010, to that certain Master Full Service Railcar Lease dated as of May 11, 2009, effective as of October 24, 2008, between BABCOCK & BROWN RAIL FUNDING LLC, a Delaware limited liability company and THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation (the "Lessee"), is made by the Lessor and Lessee and (the Lessor and together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, Lessor and the Lessee entered into that certain Master Full Service Railcar Lease dated as of May 11, 2009, effective as of October 24, 2008 and the Parties entered into that certain Schedule No. 01 thereto dated as of the same date and Schedule No. 02 dated as of June 23, 2010;

WHEREAS, the Parties have entered into Schedule No. 03 dated as of June 23 2010 covering the equipment listed on Exhibit A hereto (the "Cars") and wish to show for the public record the existence of the Schedule No. 02 and the respective interests therein of the Parties and accordingly, the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date set forth below;

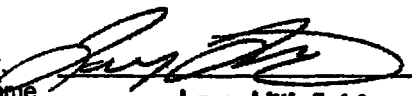
NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Full Service Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

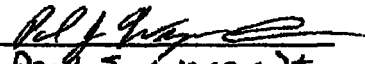
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Full Service Railcar Lease to be executed by a duly authorized officer or other representative as of the date set forth below.

BABCOCK & BROWN RAIL FUNDING LLC, as Lessor

By. 
Name Larry Littlefield
Title: Vice President
Date. 6/23/2010

THE KANSAS CITY SOUTHERN RAILWAY COMPANY, as Lessee

By. 
Name Paul J. Weyandt
Title Sr. VP Finance & Treasury
Date 6/17/2010

STATE OF New York)
COUNTY OF New York) SS:

On 6/23, 2010, before me, Indra Bedasie, Notary Public, personally appeared Larry Littlefield, personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

Indra Bedasie

INDRA BEDASIE
Notary Public, State of New York
No. 01BE6014602
Qualified in Queens County
Certificate Filed in New York County
Commission Expires October 19, 2012

STATE OF Missouri)

COUNTY OF Jackson) SS:

On June 17, 2010, before me, Barbara L. Blevins, Notary Public, personally appeared Paul J. Weyandt personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

Barbara L. Blevins

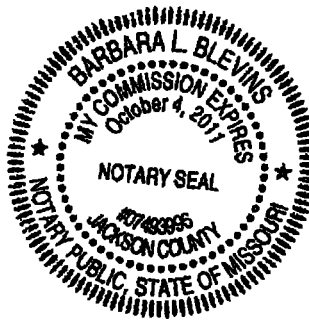


EXHIBIT A
TO MEMORANDUM OF RAILCAR FULL SERVICE AGREEMENT

Quantity of Cars

Fifty four (54)

Car Description

**5161 CF covered hopper railcars, AAR Car Type Code C114,
built by Trinity Industries in 2008**

Reporting Car Mark and Numbers

BNBX	121647	BNBX	121782
BNBX	121651	BNBX	121788
BNBX	121652	BNBX	121810
BNBX	121656	BNBX	121813
BNBX	121659	BNBX	121818
BNBX	121662	BNBX	121820
BNBX	121664	BNBX	121822
BNBX	121679	BNBX	121827
BNBX	121686	BNBX	121830
BNBX	121690	BNBX	121832
BNBX	121691	BNBX	121833
BNBX	121703	BNBX	121835
BNBX	121706	BNBX	121839
BNBX	121707	BNBX	121840
BNBX	121712	BNBX	121848
BNBX	121716	BNBX	121852
BNBX	121717	BNBX	121859
BNBX	121724	BNBX	121860
BNBX	121731	BNBX	121862
BNBX	121739	BNBX	121865
BNBX	121741	BNBX	121873
BNBX	121743	BNBX	121876
BNBX	121745	BNBX	121879
BNBX	121748	BNBX	121883
BNBX	121760	BNBX	121884
BNBX	121773	BNBX	121885
BNBX	121778	BNBX	121892

EXHIBIT A
TO MEMORANDUM OF RAILCAR FULL SERVICE AGREEMENT

Quantity of Cars

Fifty four (54)

Car Description

5161 CF covered hopper railcars, AAR Car Type Code C114,
built by Trinity Industries in 2008

Reporting Car Mark and Numbers

	BNBX	121788	
	BNBX	121810	
	BNBX	121813	
	BNBX	121818	
	BNBX	121820	
	BNBX	121822	
	BNBX	121827	
	BNBX	121830	
	BNBX	121832	
	BNBX	121833	
	BNBX	121835	
	BNBX	121839	
BNBX	121707	BNBX	121840
BNBX	121712	BNBX	121848
BNBX	121716	BNBX	121852
		BNBX	121859
		BNBX	121860
		BNBX	121862
BNBX	121739	BNBX	121865
		BNBX	121873
		BNBX	121876
		BNBX	121879
		BNBX	121883
		BNBX	121884
BNBX	121773	BNBX	121885
BNBX	121778	BNBX	121892

Rec. No. 27608 - 32 cars

EXHIBIT A
TO MEMORANDUM OF RAILCAR FULL SERVICE AGREEMENT

Quantity of Cars

Fifty four (54)

Car Description

5161 CF covered hopper railcars, AAR Car Type Code C114,
built by Trinity Industries in 2008.

Reporting Car Mark and Numbers

BNBX 121647 BNBX 121782
BNBX 121651
BNBX 121652
BNBX 121658
BNBX 121659
BNBX 121662
BNBX 121664
BNBX 121679
BNBX 121688
BNBX 121690
BNBX 121691
BNBX 121703
BNBX 121708

BNBX 121717
BNBX 121724
BNBX 121731

BNBX 121741
BNBX 121743
BNBX 121745
BNBX 121748
BNBX 121760

Rec. No. 27186 - 22 cars

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 8/5/10



Robert W. Alvord